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# Tools for Inclusion: Making It Easier to Go to Work: What the Changes at Social Security Mean to You

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INSTITUTE FOR  
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INCLUSION

# Tools for Inclusion

family and consumer series

## Making it Easier to Go to Work: What the Changes at Social Security Mean to You

By David Hoff, Elena Varney, and Lisa O'Connor

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### Introduction

The Social Security Administration (SSA) has developed a number of incentives or supports to assist people with disabilities to enter the workforce. The intent is to diminish the consequences and fears about losing benefits due to an attempt to work. Over the last few years, there have been a number of changes to the Social Security disability programs that make it even easier for people who receive benefits to go to work.

Many of these changes are a result of the Ticket to Work and Work Incentives Improvement Act of 1999 (TWWIIA). SSA has also recently made other changes that increase the amount of money someone can earn before their benefits are affected. This publication explains what these changes are, and how they impact people with disabilities who want to work. Highlights of these changes, which are covered in detail, include:

- Changes in Substantial Gainful Activity (SGA) level
- Changes in Student Earned Income Exclusion (SEIE) amounts
- Changes in the Trial Work Period (TWP) amount
- Expedited reinstatement of benefits, meaning that if your benefits end due to increased work activity, you can quickly get back on benefits if you are unable to continue in your increased work activity due to your disability
- Changes in Continuing Disability Reviews (CDRs)
- The availability of benefits planning and assistance from Work Incentives Planning and Assistance (WIPA) projects
- The role of Protection and Advocacy (P&A) organizations
- The Ticket to Work Program, which expands employment service options for people with disabilities
- Health care coverage changes, making it easier for people with disabilities to keep their health care coverage when they return to work.



# The Social Security Disability Programs

## Two programs

The Social Security Administration (SSA) manages two disability benefit programs—Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI). These programs provide cash and/or medical benefits to people who are eligible. Each program has its own set of eligibility rules, work incentives, and benefits available. It is possible to receive benefits from both SSI and SSDI.

## Definition of disability

The definition of disability for purposes of initial eligibility is the same under the SSDI and SSI programs. “Disability” is defined as the inability to perform substantial gainful activity (SGA—explained below) because of a medically determinable physical or mental impairment that is expected to last for at least 12 months or to result in death.

## Asset limits

For individuals on SSI, you cannot have liquid assets of no more than \$2,000 (\$3,000 if you are a married couple). Liquid assets include various cash resources that the individual has access to. The house an individual lives in along with one vehicle are exempt from asset limits. There are no asset limits for individuals on SSDI.

## Impact of income

Income impacts SSI and SSDI differently. For people receiving SSI, benefits are gradually reduced in relation to income (after the first \$85 of monthly income, SSI checks are reduced \$1 for every \$2 of income). SSDI is an “all or nothing” type of program, meaning that you receive your entire SSDI amount until your income reaches the SGA level, at which point your SSDI checks will stop after a period of time (called a “Trial Work Period,” explained in detail later in this publication).

It’s important for you to understand which program(s) you are receiving benefits from in order to understand the impact of income on those benefits and the changes discussed in this publication.

## Changes in SGA

### What is SGA?

The Substantial Gainful Activity (SGA) amount is a term used quite a bit within the Social Security

system. It is a gross monthly earnings amount that SSA uses under both the SSI and SSDI programs to determine whether an impairment causes a disability in the area of work. This is only one of the ways that SSA determines disability, but it is a critical step in disability evaluation. The SGA level is different for people who are blind than for people who have any other type of disability. SGA is used in different ways, depending on the benefit program, and whether or not it is for eligibility or work incentive purposes.

### What does SGA mean for people who receive SSI?

One of the criteria for an adult (over age 18) to be eligible for SSI is that they must be earning less than the SGA level. One of the work incentives, called an Impairment-Related Work Expense (IRWE), may help keep earnings below SGA if you are working at the time you apply for SSI. Once on SSI, the SGA limit no longer applies, and you may earn more than that amount and continue to receive both SSI cash [under a provision called status 1619(a)] and medical (Medicaid) benefits [under a provision called status 1619(b)].

### What does SGA mean for people who receive SSDI?

SGA is used for two purposes for people on SSDI: 1) to determine eligibility and 2) to determine whether benefits will continue. In addition to the other SSDI eligibility criteria, an applicant must be earning less than the monthly SGA level in order to be eligible for SSDI benefits.

Once on SSDI, the SGA amount is used as a gauge to determine if you continue to meet SSA’s definition of disability, and, therefore, if benefits will continue. Earnings at the SGA level or above may trigger your cash benefits to stop. IRWEs may be deducted from gross monthly earnings in order to help a SSDI recipient stay below SGA level. Using an IRWE to decrease the earnings counted can help you become eligible for SSDI, or to help you maintain eligibility. It is important to note that you will not be eligible for SSDI if you work at the SGA level or above within 12 months of the start of your impairment(s) or before SSA approves your claim for benefits.

### Changes to SGA level

In 2008, the SGA amount was \$940 for non-blind disability benefit recipients and \$1,500 for people who are blind. For 2009, these amounts have been raised to \$980 and \$1,640. The SGA amount is adjusted for inflation each year. This means that the SGA level will either increase or stay the same each year, depending on the wage growth of the country as a whole.

## Changes in the Student Earned Income Exclusion

### What is the Student Earned Income Exclusion?

The Student Earned Income Exclusion (SEIE) applies only to people who receive SSI. This work incentive allows a student under age 22 who is not married or the head of the household, and who is regularly attending school, to exclude a portion of his or her earned income each month, up to a maximum. These earnings then, will not cause any reduction in the SSI check. In order to be considered “regularly attending” school, you must take one or more courses of study and attend classes:

- in a college or university for at least 8 hours a week; or
- in grades 7-12 for at least 12 hours a week; or
- for less time if for reasons beyond your control, such as an illness.

It is possible to be home schooled and eligible for SEIE if you meet specific criteria.

### Changes to SEIE amount

In 2008, the SEIE monthly exclusion was \$1,550, and the maximum annual exclusion allowed was \$6,240. For 2009, the monthly exclusion has been raised to \$1,640 with an annual maximum of \$6,600. These amounts are also indexed according to the national average wage index, meaning they increase or stay the same each year.

## Changes in the Trial Work Period

### What is the Trial Work Period?

The Trial Work Period (TWP) is one of the work incentives available only to SSDI recipients. It means that you can work for 9 months (not necessarily in a row) within a 5-year period, receiving full benefits while you test your ability to work. Any month in which you earn over the TWP amount counts as a TWP month. During these months, you receive your earnings from work and your full SSDI check as long as you continue to have the same disability. After you have used up your 9 trial work months, your SSDI cash payments will stop if your earnings are above the SGA amount.

### Grace period

After the end of the TWP, SSA decides whether you are able to work consistently at the SGA level. If so, you will receive SSDI benefits for the month your eligibility for cash benefits ended (due to either

medical improvement or work at SGA level) plus the next 2 months, no matter how much is earned. This “grace period” includes the cessation month plus the next 2 months. Full benefits are received for all 3 of these months, even if earnings are above SGA.

### Extended Period of Eligibility (EPE)

The extended period of eligibility begins after the 9-month TWP is completed. The EPE is a 36-month period of time during which an SSDI check is received each month that earnings fall below the SGA level. The EPE overlaps with the grace period described above. This means that for 3 years after completion of the TWP, an individual will receive full SSDI benefits for any month in which gross earnings fall below SGA because of the same predetermined disability.

### Changes to TWP amount

Like the SGA and SEIE amounts, the TWP amount increases or stays the same each year, according to the national average wage index. The TWP amount for 2008 was \$670 of gross income per calendar month. This amount was increased to \$700/month for the year 2009. Any month in which at least this amount is earned counts as one of the 9 TWP months. If you are self-employed, any month in which you earn the TWP amount or work 80 hours in the business counts as a TWP month.

## New Work Incentive: Expedited Reinstatement of Benefits

Expedited Reinstatement of Benefits, a new provision under TWWIA, is basically a “quick back on” benefits clause for people who receive SSI, SSDI, or both. If your benefits have ended because of increased work activity, it allows you to get back on benefits quickly if your disability prevents the increase in income to continue.

### What does expedited reinstatement mean for people who receive SSDI?

If your SSDI benefits have ended because of earnings at SGA level after the 36-month EPE described above, you may request reinstatement of those benefits without filing a new application. This is true provided that the disability that causes you to be unable to earn SGA is the same (or related to) the disability for which you originally received benefits. This request must be made within 60 months after benefits ended. This “quick back on” policy extends the reinstatement option beyond the former 36-month EPE deadline.

### **What does expedited reinstatement mean for people on SSI?**

Unlike people on SSDI, SSI recipients are able to move back and forth between SSI cash payments with Medicaid [1619(a)] and non-cash payments with Medicaid [1619(b)] with no time limit (i.e., even if you're no longer receiving an SSI check, as long as you still receive Medicaid, you remain on the roles indefinitely). People who are no longer eligible for both SSI cash and medical benefits because of earned income (or earned and unearned income) may apply for a reinstatement of benefits, within 60 months of becoming ineligible for benefits, without going through a completely new application process. (See the Medicaid section under "Health Care Changes" elsewhere in this publication for details on how income impacts Medicaid benefits.)

### **Provisional benefits**

Under TWWIA, when a determination is being made for an expedited SSI or SSDI reinstatement, the individual will receive benefits for up to 6 months. This means that whatever medical and/or cash benefits you may be eligible for will be received until the decision is made. Even if it is ultimately determined that you are not eligible for reinstatement of benefits, the benefits you have received through provisional benefits, will generally not have to be repaid.

## **Changes to CDRs**

### **What are Continuing Disability Reviews?**

SSA conducts continuing disability reviews (CDRs) to determine whether or not recipients are eligible for continued benefits. This is often a very time-consuming, frustrating process for many people, as it requires obtaining updated medical information to prove that you still have your disability and are unable to work at or above the SGA level. Social Security benefits end if medical or other evidence shows that you no longer meet SSA's definition of disability. SSA must conduct CDRs at least once every 3 years for most recipients. Persons with disabilities that are considered permanent are reviewed less frequently, usually every 5 to 7 years.

### **What are the changes to CDRs under TWWIA?**

Previously, work activity would automatically trigger a CDR. Now however, if you have received Social Security disability benefits for at least 24 months, you will not be medically reviewed just because of work activity. However, regularly scheduled medical reviews can still

be performed, and benefits can end if earnings are above the limits. If you are using a Ticket under the Ticket to Work Program (detailed elsewhere in this publication), you are not subject to CDRs.

## **BPAOs are now WIPAs: Work Incentives Planning and Assistance**

In October 2007, the Social Security Administration (SSA) replaced the Benefits Planning, Assistance and Outreach Program with the Work Incentives Planning and Assistance (WIPA) program. Through WIPA projects, assistance is available in every state to provide accurate information about the work incentives and employment supports available through Social Security. The WIPA projects are an excellent resource for obtaining helpful and accurate assistance regarding the impact of income on your benefits. The WIPA projects are funded by SSA, and include a variety of community based private and public organizations. These WIPA projects employ Community Work Incentives Coordinators (CWICS), who are not SSA employees, but who work for the organization that receives funding from SSA. CWICS are able to provide one-to-one assistance to help people understand what will happen to their Social Security, health, housing, food stamps, and other federal and state benefits when they go to work. CWICS are able to provide guidance on how to manage your benefits in a way that allows you to go to work. These projects also provide outreach and training in the community to help people understand SSI/SSDI work incentives. To find out the location of the WIPA project serving your area go to: <https://secure.ssa.gov/apps10/oesp/providers.nsf/bystate>

## **P and A Organizations Available to Assist with Information and Advocacy**

Protection and Advocacy (P and A) organizations are federally mandated to protect the rights of persons with disabilities through legal advocacy. There is a P and A in every state and territory. Under TWWIA, P and A organizations are receiving funding to assist SSI/SSDI beneficiaries in getting information and advice about receiving Vocational Rehabilitation and employment services, and to provide advocacy or



other related services that people may need in order to obtain gainful employment. Local contacts can be found on the Web at <https://secure.ssa.gov/apps10/oesp/providers.nsf/bystate>, at [www.napas.org/aboutus/pwd.htm](http://www.napas.org/aboutus/pwd.htm) or by calling the National Disability Rights Network at 202-408-9514.

## The Ticket to Work Program

A major part of TWWIA is the Ticket to Work Program. The basic goal of the program is to increase the choices and options available as to where you can obtain vocational services, and to increase self-sufficiency and reduce dependence on SSI/SSDI cash benefits.

The Ticket Program began in 2002, and is now in full operation across the country. There have been a number of recent changes in the Ticket Program, to create greater interest in use of the program.

### Who receives the Ticket to Work?

All SSI and/or SSDI recipients between the ages of 18-64 receive a “Ticket to Work” in the mail. When you receive a Ticket, you can choose whether or not to use it and when. The Ticket Program is voluntary.

### How does the Ticket work?

The Ticket is a piece of paper that allows you to choose the provider from whom you receive vocational services. In other words, you may “shop around” for an approved provider. Service providers under the Ticket Program are called “Employment Networks” (ENs). Maximus, Inc. is the Program Manager for the Ticket to Work Program, and keeps updated lists of all EN providers. When you receive your Ticket in the mail, you also receive a list of approved ENs. Examples of possible ENs include the state Vocational Rehabilitation agency, other public disability agencies, community rehabilitation providers, One-Stop Career Centers, schools, and even employers. Some ENs even provide all of their services through the web! An EN can also be a group of entities (for example, a One-Stop Career Center and community rehabilitation provider working together as one EN).

Before “assigning” your Ticket to an EN, you can discuss the services you would like to receive with any or all possible ENs. It is important to note that ENs also can choose whom they serve. Both you and the EN must agree to work together. Once you have chosen a potential EN, the EN develops an Individual Work Plan (IWP). If the state Vocational

Rehabilitation agency is chosen, the plan is called an Individualized Plan for Employment (IPE). Either plan will include your stated job choice and the steps to achieve that goal. If you are satisfied with the plan that is written, you can then assign the Ticket to the EN you have chosen. When the EN decides to accept your Ticket, they are agreeing to provide services to help you get and keep a job. Then, and not before, the Ticket is considered in “active status.”

Social Security pays the EN based only on a successful outcome, which is defined as helping you get a job that, at a minimum, pays you above the Trial Work Period level. The EN could potentially be paid even more when you earn above SGA. However, ENs will only receive the majority of payments available for assisting you, if you find a job that pays enough income to eliminate your SSI/SSDI check. The amount and timing of when the EN gets paid depends on which benefits you receive and how much your check from Social Security is.

### If I’m not happy with the services I’m getting, can I change Employment Networks?

Yes. You may choose to withdraw your Ticket from the provider if you are not satisfied with the provider’s services, and either assign the Ticket to a different entity or hold on to it for optional future use. Similarly, service providers have the option of discontinuing services to an individual at any time under the Ticket Program if they feel the person is not making sufficient progress towards his or her employment goals.

### Changes to CDRs under the Ticket to Work Program

One of the major benefits for SSI/SSDI recipients using a Ticket is the suspension of CDRs. While you are using your Ticket, you will not undergo a Continuing Disability Review. However, benefits can still be terminated if your earnings go above income limits.

### I’ve heard that there have been changes in the Ticket program. What does those changes mean?

There have been a number of changes made in the rules and regulations for the Ticket program, effective in 2008. These include major changes in the payment system for ENs, with the goal of increasing the number of ENs as well as increasing the number of individuals using the Ticket. If you tried to use your Ticket in the past, but couldn’t find an EN that met your needs, you may want to check again to see if there any new ENs available who can assist you.

## What changes have been made in the requirements for making “timely progress” towards getting a job?

Under the Ticket Program, it is necessary to demonstrate to SSA that you are making “timely progress” toward your employment goals. If SSA thinks that you are not making timely progress, then CDRs will no longer be suspended. As a result of the changes in regulations, effective July 2008, there are new guidelines for timely progress, which now allow both employment and educational activities to count as timely progress.

**DURING THE FIRST YEAR PERIOD OF TICKET USE**, you must do one or a combination of the following: a) work for 3 out of 12 months at the TWP earnings level or higher; b) Obtain a high school diploma or GED; or c) be participating in a degree, certification program, technical, trade or vocational program at 60% of a full time course load.

**DURING YEAR 2**, you must do one or a combination of the following: a) work for 6 out of 12 months at the TWP earnings level or higher; or b) be participating in a degree, certification program, technical, trade or vocational program at 75% of a full time course load.

**DURING YEAR 3**, you must do one or a combination of the following: a) work at least 9 of 12 months, and have earnings at the SGA level or higher; b) complete a 2 year degree or certification program, or for a 4 year program, complete an additional academic year of study; or c) complete a technical, trade or vocational program.

**DURING YEAR 4**, you must do one or a combination of the following: a) work at least 9 of 12 months, and have earnings at the SGA level or higher; or b) complete an additional academic year of study in a 4 year degree or certification program.

**DURING YEAR 5**, you must do one or a combination of the following: a) work for 6 of 12 months at a high enough earnings so that you do not receive a check from Social Security; or b) complete an additional academic year of study in a 4 year degree or certification program.

**DURING YEAR 6**, you must do one or a combination of the following: a) work for 6 of 12 months at a high enough earnings so that you do not receive a check from Social Security; or b) complete a 4 year degree or certification program.

**AFTER YEAR 6**, you must continue to work for 6 of 12 months, and earn enough so that you do not receive a check from Social Security.

## Can I receive services from my state’s public VR Program and also use the Ticket to Work with another service provider?

Yes, but not at the same time. Among the changes that have been made in the Ticket program, is that as of April 2008, there is increased flexibility regarding receiving services from VR and a non-VR EN. You now essentially have **two options**:

1. *If the VR agency is providing you services under what is known as the “cost reimbursement” option, you can receive VR services to meet your intensive up front service needs. After your case is closed by VR, you can then assign your Ticket to an EN and receive other support services.*
2. *If the VR agency requests that they serve you as an EN and you then agree to assign your ticket to VR, if you want to change to another service provider, you would then have to un-assign the ticket with VR and then assign it to another EN.*

Under either scenario, you must make timely progress, as detailed above.

**PLEASE NOTE:** You are not required to assign your Ticket to the public VR system, in order to receive services from public VR. It is important to understand and weigh your options before assigning your Ticket to VR or another EN, to ensure that you get the services that best meet your needs.

These rules only apply to services under the Ticket. You can still receive services from various agencies, funded by VR, even when your case is open with VR. However, your Ticket cannot be assigned to those agencies.

## I received my Ticket to Work in the mail, but threw it out. Now I’m interested in the Ticket Program. What do I do?

If you lost or discarded your Ticket, you can still receive services simply by going to an EN and telling them you would to use your Ticket with them. If you would like a replacement ticket you can call MAXIMUS at 1-866-YOURTICKET (1-866-968-7842) or toll-free TDD at 1-866-TDD2WORK (1-866-833-2967) to request a Ticket on Demand (TOD).

## Is the Ticket to Work Program for me?

As noted already, the Ticket Program is strictly voluntary. There are a few things to consider in deciding whether or not to use the Ticket Program:

**THE GOAL IS FOR YOUR CASH BENEFITS TO END.** The purpose of the Ticket Program is to reduce reliance on cash benefits. If you are comfortable with the idea

of your cash benefits being reduced and coming to an end, then the Ticket Program could be for you. However, if you need or want to maintain your cash benefits, then you may not want to participate in the Ticket Program.

**CASH BENEFITS ARE REDUCED AND END ONLY IF YOU OBTAIN EMPLOYMENT.** Even if you start using your Ticket, remember that cash benefits will continue until you get a job that pays you well enough so that you no longer receive your full SSI or SSDI check (for individuals on SSDI, your checks will continue at their full amount until your earnings exceed SGA; for individuals SSI, your check will be gradually reduced in relation to your earnings, as discussed earlier). ENs only receive all or the majority of their payments under this program if your cash benefits end. This provides a huge incentive for the EN to provide you quality services and help you to get a well-paying job.

**HEALTH CARE COVERAGE CONTINUES.** When SSI/SSDI checks stop, it does not necessarily mean that you will no longer receive your accompanying medical benefits. In fact, Social Security has a number of ways in which people with disabilities can keep their health care benefits when they work, which are detailed elsewhere in this publication under “Health Insurance Changes.”

**YOU CAN STILL USE OTHER SERVICES.** You may already be receiving employment services from a community provider or public agency. There is nothing in the rules of the Ticket Program that keeps you from combining the Ticket with other resources and funding sources a service provider may have. In fact, if you are already receiving services from a service provider, you may want to talk to them about using your Ticket to expand the current services they are providing to you, or explore other providers if you are not satisfied with the services you are currently receiving.

**REMEMBER, YOU HAVE COMPLETE CHOICE OF EMPLOYMENT NETWORKS.** One of the key goals of the Ticket Program is to expand the choices of service providers available to people with disabilities. SSA and Maximus, Inc., the Program Manager, are working hard to make sure that people with disabilities have as large and diverse a number of ENs to choose from as possible. It makes sense for you to talk to a number of ENs before choosing one. Don’t assume that a service provider you have previously dealt with (such as the public Vocational Rehabilitation agency, another public agency, or private provider) is your only option under the Ticket Program. Also, be cautious of professionals

trying to steer you towards specific ENs or telling you what to do with your Ticket. Remember, your Ticket belongs to you, and you can use any EN that is willing to accept you for its services.

**YOU CAN CHANGE SERVICE PROVIDERS AT ANY TIME.**

One of the great things about the Ticket Program is that if you are not satisfied with the services you are receiving, you have the option of changing your EN at any time.

**UNDERSTAND YOUR OPTIONS.** In the early stages of the Ticket Program’s implementation, there was a good deal of confusion about what the program is all about. Before deciding whether or not to use your Ticket, make sure the information you have is accurate and up-to-date, and be sure to understand and check out your options. It is worth at least talking to some ENs to see what the possibilities are. Also, remember that you can try using your Ticket to receive services, and if you find that the program is not a good option for you, you can put your Ticket back into “inactive” status and possibly use it at a later point in time. The bottom line for individuals with disabilities in using the Ticket Program is that it provides options, choices, and empowerment in getting employment services in ways that have not previously been available. If you want to work and reduce or eliminate your reliance on cash benefits, the Ticket Program can be a good option to get the services you want and need from the service provider of your choice.

The WIPA Project in your area can provide you information on the Ticket to Work Program, and if you are interested, provide you a referral to an EN in your area.

Additional information on the Ticket Program is also available at:

- [www.ssa.gov/work/faqs.html#BENEFITS\\_FAQ](http://www.ssa.gov/work/faqs.html#BENEFITS_FAQ)
- [www.yourtickettowork.com](http://www.yourtickettowork.com)

## Health Insurance Changes

Many people with disabilities rely on two publicly funded health care systems, Medicaid and Medicare, for their health insurance. A major issue for people with disabilities who want to go to work is concern over losing their health coverage. People with disabilities have often assumed incorrectly that when they no longer receive a SSI or SSDI check, their medical coverage automatically ends. Prior to TWWIA, people with disabilities who remained medically disabled could keep their medical coverage



for a certain length of time, or up to certain income amounts, even when they were no longer receiving a Social Security check. TWWIIA further reduces the connection between eligibility for cash benefits and eligibility for health insurance coverage, making it even easier for you to earn more through work and still keep your Medicaid and/or Medicare coverage.

## MEDICARE

People on SSDI are covered under Medicare, which is funded and operated by the federal government in Washington, D.C. Medicare has two parts. Part A is hospital insurance, which people typically do not have to pay for. Part B is medical insurance (for non-hospital expenses, such as doctor's visits and medication). Most people pay a monthly premium for Part B (in 2009 this monthly premium is \$96.40).

### Expanded period of free Medicare coverage

If you are covered by Medicare and have income below the SGA amount—\$980 per month (\$1,640/month for people who are blind) for 2009—you receive Medicare hospital insurance at no charge, and are eligible for Medicare medical insurance (for which you pay a premium). If your monthly income increases above the SGA amount, you will now receive free Medicare hospital insurance, and remain eligible for Medicare medical insurance, for 7 years and 9 months. (This time period was extended as a result of TWWIIA.) At the end of this time period, you can then purchase Medicare hospital insurance for a monthly premium (\$443/month for 2009). If you cannot afford to pay this premium, however, you may be eligible for state assistance under the Qualified Disabled and Working Individuals (QDWI) program. To be eligible for this program, you must:

- have limited income
- have resources under \$4,000 for an individual and \$6,000 for a couple
- be ineligible for Medicaid.

To learn more, call the QDWI contact in your county, local, or state social services or medical assistance office. (Information on obtaining contacts is listed under "Resources on Health Care Coverage" at the end of this publication.)

### What does this mean?

The bottom line is that if you are covered under Medicare, you can go to work and earn income (with no limits) and keep your premium-free Medicare hospital coverage for almost eight years. And even after you are no longer eligible for premium-free Medicare, you can purchase it (and your state may help pay the premium).

**EXAMPLE:** Raul is not working and has not worked for several years. He receives a monthly SSDI check and is covered by premium-free Medicare hospital insurance. He gets a job in June 2008 that pays him \$1,200 per month. Since this job pays more than the SGA amount (\$980 for 2009), he will receive his last SSDI check in May 2009 (when he will have used up his 9-month Trial Work Period and 3 month grace period). However, he will continue to receive premium-free Medicare hospital coverage until March 2016. At that point, his options are: a) use the hospital insurance provided by his employer (if his employer provides coverage) or b) pay the Medicare monthly premium (which could possibly be subsidized under his state's QDWI program, if he is eligible).

## MEDICAID

People on SSI are typically covered under Medicaid. The federal government oversees the Medicaid program, but each state operates its own program. As a result, the name of the state's program and how it operates are different in each state. Medicaid is funded by a combination of federal and state funds.

Although the federal government requires that each state's Medicaid program follow certain federal requirements, each state makes its own decisions about how the program operates. Therefore, the Medicaid program varies from state to state concerning which services are covered, income limits, etc. Under TWWIIA, states have been given much more flexibility concerning the ability of people with disabilities to keep their Medicaid coverage and earn income from employment. However, please remember that any of the changes under TWWIIA for Medicaid are optional, and individual states must decide whether or not to make the changes that the federal government is now allowing.

### How income impacts Medicaid coverage

If you are receiving a monthly SSI check, you will stop receiving a check when your income exceeds a certain amount (based on the formula of a loss of \$1 in benefits for every \$2 in income, after the first \$85 of earned income). However, even when you stop receiving a check from SSA, you can still keep your Medicaid coverage until your income exceeds the annual "threshold" amount under what is known as 1619(b). This threshold amount varies quite a bit state-by-state, but it can be relatively high and is adjusted every year (for example, in Massachusetts it is over \$37,000 per year in 2009). A list of the state thresholds for 2009 is listed on the right. This provision is not new under TWWIIA, but people

with disabilities and advocates are often unaware of the specifics of 1619(b), and assume incorrectly that when they stop receiving an SSI check they will lose their Medicaid coverage.

### Resource limits

As well as the income guidelines for keeping Medicaid, there are also resource limits. To continue to remain eligible for Medicaid, your liquid assets (such as cash savings) or assets cannot go over a certain amount. Under federal rules, you can have up to at least \$2,000 in assets, and married couples can have at least \$3,000 in assets. Some states allow you to have an even higher amount of liquid assets and still keep your Medicaid coverage. To find out the amount in your state, you should contact your state medical assistance office (contact information is in the resource section at the end of this publication).

### Buy-In option

Before the passage of TWWIIA, states had the option of allowing people with disabilities whose income was above the state threshold amount to buy Medicaid coverage on a sliding fee basis, as long as their income did not exceed 250% of the federal poverty level (2008 figure: \$26,016 for a family of 1 living anywhere in the United States, except Alaska, Hawaii, and Washington, D.C.). This figure is adjusted on an annual basis.

### Changes in state Medicaid options under TWWIIA

#### OPTION #1: EXPANDED BUY-IN

States now have the option of allowing people with disabilities who would be eligible for SSI except for their earnings, to buy Medicaid coverage on a sliding scale basis, even if their income is above 250% of the federal poverty level.

#### OPTION #2: COVERAGE FOR MEDICALLY IMPROVED

If states decide to provide coverage under option #1, they may also provide coverage to people with disabilities who are working whose medical condition has improved to the point where they are no longer eligible for SSI or SSDI (and therefore not eligible for Medicaid), but who continue to have a “medically determinable impairment.”

Under both of these options, states can set asset, resource, and income limits that differ from federal SSI requirements.

### What do these changes mean to me?

The bottom line of these changes is that you can potentially keep your Medicaid coverage and earn a much higher income than was permitted before (although you may have to pay a monthly premium).

**Table 1: State Threshold Amounts for Individuals with Disabilities 2009**

STATE	THRESHOLD	STATE	THRESHOLD
Alabama	\$24,293	Montana	\$28,682
Alaska	\$53,808	Nebraska	\$35,430
Arizona	\$28,114	Nevada	\$32,448
Arkansas	\$27,623	New Hampshire	\$39,882
California	\$34,788	New Jersey	\$34,284
Colorado	\$30,201	New Mexico	\$33,533
Connecticut	\$53,537	New York	\$43,421
Delaware	\$34,945	North Carolina	\$33,226
District of Columbia	\$40,459	North Dakota	\$38,040
Florida	\$28,075	Ohio	\$33,194
Georgia	\$26,816	Oklahoma	\$26,031
Hawaii	\$32,927	Oregon	\$29,050
Idaho	\$36,226	Pennsylvania	\$28,699
Illinois	\$26,852	Rhode Island	\$36,604
Indiana	\$32,615	South Carolina	\$26,267
Iowa	\$29,680	South Dakota	\$30,806
Kansas	\$34,133	Tennessee	\$25,146
Kentucky	\$26,190	Texas	\$29,152
Louisiana	\$27,654	Utah	\$28,860
Maine	\$42,287	Vermont	\$37,006
Maryland	\$37,517	Virginia	\$30,478
Massachusetts	\$37,757	Washington	\$28,080
Michigan	\$27,653	West Virginia	\$26,980
Minnesota	\$46,694	Wisconsin	\$32,156
Mississippi	\$25,634	Wyoming	\$30,492
Missouri	\$30,877	N. Mariana Islands	\$17,196

**Table 2: States with Separate Threshold Amounts for Blind Individuals 2009**

STATE	THRESHOLD
California	\$36,348
Iowa	\$30,208
Massachusetts	\$38,260
Nevada	\$35,071
Oregon	\$29,650

Please remember, though, that income and resource limits vary from state to state, and it is very important that you understand the specifics of how your state's program operates.

### The need for advocacy

Many states have a number of activities that are looking at how people with disabilities can go to work and advance in their careers while keeping health care coverage. These activities include proposed changes in laws and regulations, research studies, and demonstration projects. As states are considering making changes, there are two important areas for people with disabilities to be involved in:

- The design of changes to health care programs for people with disabilities to make sure that the changes being considered will truly meet your needs
- Advocacy to make sure that proposed changes are implemented (which is particularly important when changes require action by the state legislature).

There are already organizations in many states working on these issues, such as Independent Living Centers and disability advocacy organizations. Contact the advocacy groups in your area to find out if they are working on expanding health care for working people with disabilities.

## Resources on the Ticket to Work

- To find out more about the Ticket to Work Program, visit the Social Security Administration Work Site at [www.ssa.gov/work/faqs.html#BENEFITS\\_FAQ](http://www.ssa.gov/work/faqs.html#BENEFITS_FAQ).
- To get more information about the Ticket to Work Program and ENs in your area, call Maximus, Inc. at its toll-free numbers:
  - » Voice: 1-866-968-7842 (1-866-YOURTICKET)
  - » TTY: 1-866-833-2967 (1-866-TDD 2 WORK)
- or visit [www.yourtickettowork.com](http://www.yourtickettowork.com)

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**This publication will be made available in alternate formats upon request.**

# Glossary

## **CDR - Continuing Disability Review**

A medical review conducted by the Social Security Administration to determine if an individual's impairment continues to exist and, thus, whether the individual is still eligible to receive Social Security disability benefits.

## **ILC - Independent Living Center**

ILCs are community-based, not-for-profit, non-residential organizations that provide advocacy, peer counseling, independent living skills training, and information and referral to persons of any age with any type of disability. A national directory of Independent Living Centers can be found at: [www.virtualcil.net/cils](http://www.virtualcil.net/cils)

## **IRWE - Impairment-Related Work Expense**

A Social Security work incentive that can be used to help reduce the impact of earnings on Social Security disability benefits (SSI and SSDI). IRWEs include the reasonable cost of items and services (e.g., attendant care, medical or prosthetic devices, drugs and medical services, residential modifications, and special transportation) that, because of an impairment, a person needs and uses in order to work. The cost of these items and services is deducted from the earnings that Social Security uses to figure out Substantial Gainful Activity.

## **P and A - Protection and Advocacy Organizations**

Protection and Advocacy (P and A) systems are federally-funded organizations mandated to protect the rights of persons with disabilities through legal advocacy. There is a P and A in every state and territory. Local contacts can be found on the Web at <https://secure.ssa.gov/apps10/oesp/providers.nsf/bystate>, at <http://www.napas.org/aboutus/pwd.htm> or by calling the National Disability Rights Network at 202-408-9514.

## **PASS - Plan for Achieving Self Support**

A Social Security Work Incentive that can be used to help reduce the impact of earned income on SSI benefits. A PASS allows a person with a disability to set aside income and/or resources towards a work goal for a specified period of time (i.e., a person could set aside money for education, vocational training, or business start-up expenses). WIPA projects can provide assistance in writing a PASS.

## **SGA - Substantial Gainful Activity**

For purposes of determining initial eligibility for SSDI and SSI, the definition of "disability" is the inability to engage in any

"substantial gainful activity" (SGA) by reason of a medically determinable physical or mental impairment that is expected to last for a specified period. For calendar year 2009, SGA is \$980 (\$1,640 for individuals who are blind). SGA is adjusted on an annual basis for inflation.

## **SSA - Social Security Administration**

SSA provides monthly cash benefits to approximately 10 million individuals with disabilities in the United States under the SSDI and SSI programs. SSA is also responsible for administering the Ticket to Work Program.

## **SSDI - Social Security Disability Insurance**

A program of federal disability insurance benefits for workers who have contributed to the Social Security Trust Fund and became disabled or blind before retirement age. The SSDI program also covers spouses with disabilities and dependent children of fully insured workers upon the retirement, disability, or death of a primary beneficiary. SSDI provides monthly cash benefits paid directly to eligible persons with disabilities throughout the period of eligibility. Individuals on SSDI typically are also eligible for Medicare.

## **SSI - Supplemental Security Income**

A means-tested program providing monthly cash income to low-income persons with limited resources on the basis of disability and blindness, as well as age. The SSI program is funded out of the general revenues of the Treasury. People who receive SSI also automatically become eligible to receive Medicaid medical insurance in most states.

## **TWWIA - Ticket to Work and Work Incentives Improvement Act**

A law that became effective in 2000, TWWIA is designed to create greater incentives for people with disabilities on Social Security disability benefits to return to work.

## **WIPA – Work Incentives Planning and Assistance Planning projects**

WIPA projects are funded by the Social Security Administration and are based at a variety of community and public agencies. WIPA staff, known as Community Work Incentives Coordinators (CWICS) are trained to help individuals understand the impact of income from employment on the full range of public benefits: SSI, SSDI, Medicare, Medicaid, public housing, TANF, food stamps, and other public benefit programs.



## Resources on Work Incentives/ Employment Supports

- To find out more about the impact of income on benefits and employment supports available to SSI/SSDI recipients, go to the Social Security Work Site at: [www.ssa.gov/work](http://www.ssa.gov/work)
- For information on the Work Incentive Planning and Assistance (WIPA) projects, where they are located, and how they can assist you in understanding the impact of income on your public benefits, go to: <https://secure.ssa.gov/apps10/oesp/providers.nsf/bystate>
- For advice and information about receiving Vocational Rehabilitation or employment services, contact your local Protection and Advocacy organization. Local contacts can be found on the web at <https://secure.ssa.gov/apps10/oesp/providers.nsf/bystate>, at [www.napas.org/aboutus/pwd.htm](http://www.napas.org/aboutus/pwd.htm) or by calling the National Disability Rights Network at 202-408-9514.
- A variety of additional publications about Social Security disability benefits are available from the Institute for Community Inclusion at: [www.communityinclusion.org/topic.php?topic\\_id=15](http://www.communityinclusion.org/topic.php?topic_id=15). Topics range from a detailed description of work incentives to reducing the stress of managing your SSI/SSDI benefits.

## Resources on Health Care Coverage

The following resources can help you find out:

- What the current rules are in your state for keeping Medicaid coverage when you start working.
- What future changes are being considered in your state to expand the ability of people with disabilities to go to work and keep their health care coverage.

You can find the contact information for your state's Medical Assistance Office for information about Medicare at [www.medicare.gov/Contacts/static/allstatecontacts.asp](http://www.medicare.gov/Contacts/static/allstatecontacts.asp)

A listing of the state Medicaid agencies and their directors can be found at

[www.nasmd.org/links/state\\_medicaid\\_links.asp](http://www.nasmd.org/links/state_medicaid_links.asp)

Links to each state's Medicaid agency can also be found at

<http://64.82.65.67/medicaid/states.html>

General information on the Medicare and Medicaid programs can be found at The Centers for Medicare and Medicaid Services—CMS website [www.cms.hhs.gov](http://www.cms.hhs.gov)



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